



**June 26, 2019 4:00 pm**

1. Call to Order by Mayor Jonathan McCollar
2. Invocation and Pledge of Allegiance by Councilman Sam Jones
3. Presentation by Davenport & Associates regarding the Old Register Tax Allocation District revenue bonds update.
4. Consideration of a Motion to approve **Resolution 2019-24**: A Resolution for the City of Statesboro, Georgia tax allocation district revenue bond (Old Register TAD projects), series 2019 in the principal amount of \$4,750,000
5. Consideration of a Motion to Adjourn.

# City of Statesboro, Georgia

## Old Register TAD RFP Results Presentation



June 18, 2019



# Background / Overview

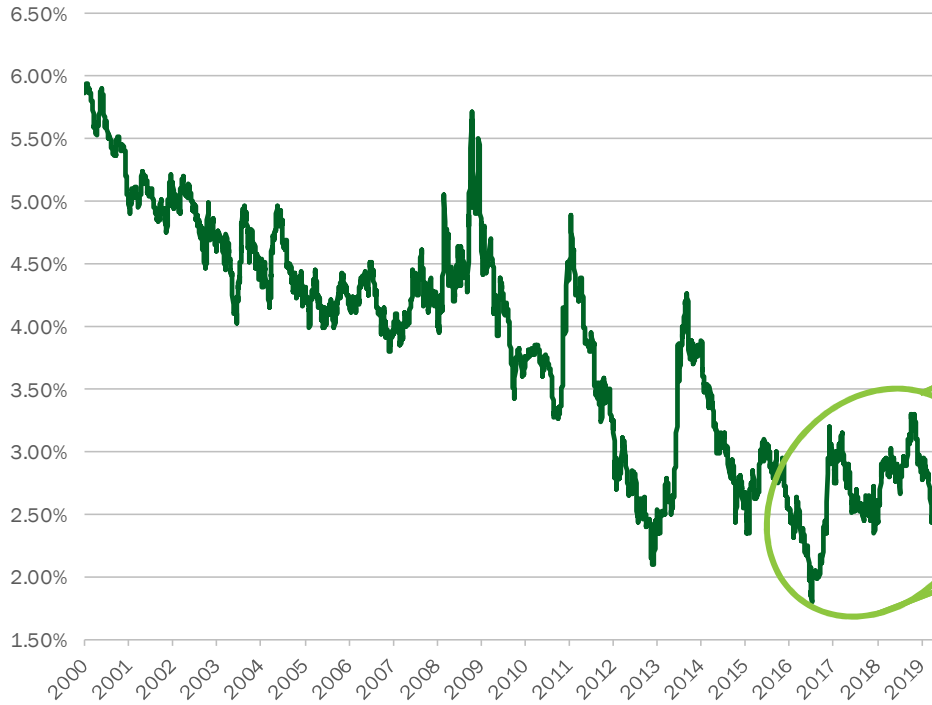
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- In 2018, the City of Statesboro established the Old Register Tax Allocation District.
  - In a subsequent intergovernmental agreement, the Bulloch County Board of Education and Bulloch County Board of Commissioners pledged their increments in support of the Old Register Tax Allocation District.
- As part of the Redevelopment Plan and Development Agreement, the City agreed to finance up to \$4.75 million for the Public Infrastructure Projects (mainly, the access road) associated with the development of the TAD.
- The financing was to be secured by the incremental increase in the tax base within the Tax Allocation District (which will include the City's, County's and Board of Education's increments).
  - In the event there is any potential shortfall from the incremental revenues, the City will create a Special Service District millage that will be sufficient to cover the debt service.
- Davenport & Company LLC, in our capacity as Financial Advisor, was tasked with securing financing for the aforementioned. Enclosed herein are the results of that process.

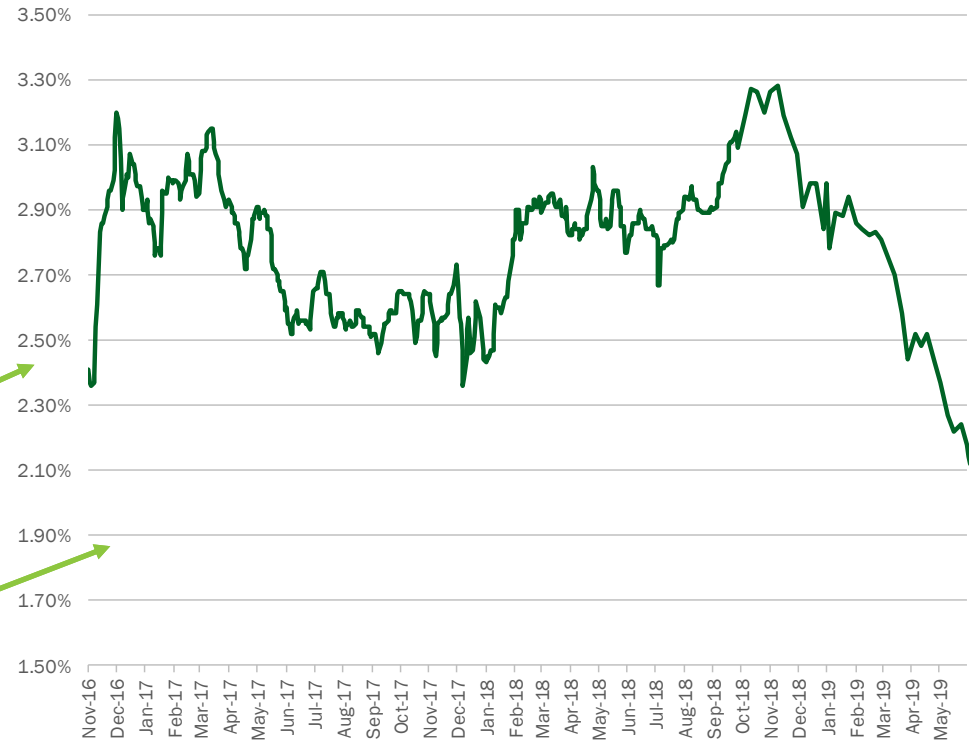
# Interest Rate Trends



20 Year AAA MMD (Since 2000)



20 Year AAA MMD (Since November 2016)



*The 20-Year MMD increased substantially after the presidential election in 2016 but is now at or near all-time lows.*



# Request for Proposals Solicitation

- On Wednesday, May 15, 2019, Davenport & Company, in our capacity as financial advisor to the City of Statesboro (the “City”) distributed a Request for Proposals (“RFP”) to over 25 local, regional, and national lending institutions on behalf of the City for the purpose of obtaining financing evidenced by the City’s Tax Allocation District Revenue Bond, Series 2019 (the “2019 Financing”).
- The proceeds of the 2019 Financing will be used to finance Public Infrastructure Projects within the TAD, Capitalized Interest and the Cost of Issuance associated with the 2019 Financing (the “Project”).
- On Friday, June 7, 2018 Davenport received 4 proposals from the following lending institutions which have been summarized below. Detailed summaries of the proposals can be found in the Appendix.

City of Statesboro, GA Series 2019 TAD Revenue Bond Summary of Rates Received	
Bank	Interest Rate
BB&T	2.19%
Morris Bank	2.69%
Synovus Bank	3.31%
Signature Bank	3.85%

# Summary of Top Proposal



BB&T	
Series 2019 TAD Revenue Bond	
Amount:	\$4,750,000
Final Maturity:	August 15, 2023
Rate:	2.19% Fixed Until Final Maturity
Prepayment:	Anytime within 7 days notice, subject to a break funding fee
Bank Fees:	Bank Counsel Fees – Amount Not to Exceed \$5,000
Subject to Credit Approval:	Yes (Note: Should be formally approved prior to June 18 <sup>th</sup> )
Close By:	July 19, 2019



# Estimated Debt Service

- Based upon a borrowing amount of \$4.75 million, the City’s annual fiscal year debt service payments would be equal to the amounts shown in the table below.

City of Statesboro, Georgia - TAD Financing				
Date	Principal	Interest	Capitalized Interest	Total
2/15/2020	-	\$60,103	(\$60,103)	0
8/15/2020	-	52,013	(52,013)	-
2/15/2021	-	52,013	-	\$52,013
8/15/2021	-	52,013	-	52,013
2/15/2022	-	52,013	-	52,013
8/15/2022	-	52,013	-	52,013
2/15/2023	-	52,013	-	52,013
8/15/2023	4,750,000	52,013	-	4,802,013
<b>Total</b>	<b>\$4,750,000</b>	<b>\$424,191</b>		<b>\$5,062,075</b>

Sources	
Par Amount	\$4,750,000
<b>Total</b>	<b>\$4,750,000</b>

Uses	
Developer Reimbursement	\$4,537,884
Estimated Cost of Issuance	100,000
Capitalized Interest	112,116
Additional Proceeds	-
<b>Total</b>	<b>\$4,750,000</b>

*In order to build the tax base and revenues sufficient to cover the debt service, the first two interest payments will be made out of bond proceeds. Based upon current projections, the City will not need to rely on a special service district mill to cover debt service due to revenue shortfalls. At the maturity of this bond, the City will need to refinance the principal amount around the revenues being produced at that time.*



# Recommendation & Rationale

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- In the event that the City wishes to move forward with financing the project through the issuance of its Series 2019 Tax Allocation District Revenue Bond, Davenport recommends that the City accept the 2.19% bid from BB&T. This recommendation is based upon the following:
  - The 2.19% Bid from BB&T was the lowest rate among all proposals received;
  - The interest rate is fixed until final maturity, eliminating any future interest rate risk;
  - The interest rate is fixed between now and closing (i.e. not indicative); and,
  - Required minimal due diligence in order to receive formal credit approval and ongoing disclosure requirements.
  - Minimal lender fees.



# Next Steps



Date	Action
May 15, 2019	✓ Davenport Distributed Request for Proposals to Local, Regional and National Banking Institutions
Balance of May, 2019	✓ Davenport communicates with potential lenders
June 7, 2019	✓ Davenport Received Responses to the City's Request for Proposals
June 18, 2019	Davenport presents RFP results/recommendation.
June 19-21, 2019	File for Bond Validation
Week of June 24, 2019	Validation Advertisement Process
Week of July 8, 2019	Validation hearing
Week of July 15, 2019	Close on Series 2019 TAD Bond



# Appendix

City of Statesboro, Georgia

# Summary of Proposals



City of Statesboro, Georgia Tax Allocation District Revenue Bond, Series 2019				
	BB&T	Morris Bank	Synovus Bank	Signature Public Funding
Amount	\$4,750,000	\$4,750,000	\$4,750,000	\$4,750,000
Final Maturity	8/15/2023	8/15/2023	8/15/2023	8/15/2023
Interest Rate	2.190%	2.690%	3.310%	3.850%
Rate Fixed	Yes	Yes	Yes	Yes
Rate Lock Deadline	6/28/2019	Not specified	7/7/2019	6/28/2019
Call Date	Anytime with 7 days notice	Not specified	Anytime in whole or in part	Anytime in whole beginning 2/15/2021.
Prepayment Penalty	Make Whole	Not specified	None	None
Bank / Legal Fees	Bank Council Fees - Amount TBD	Not Specified	Not Specified	Transactional and Legal Expenses - Not to Exceed \$3,000
Accept By	6/28/2019	Not specified	7/7/2019	Not specified
Close By	7/19/2019	7/15/2019	7/15/2019	7/15/2019
Subject to Final Credit Approval?	Yes	Yes	Yes	Yes
Default Rate	Not specified	Not specified	Lesser of 5% over Bank's Prime Rate of interest or maximum legal rate at the time of default.	9.00%
Other Notes	No Origination Fee. No Yield Maintenance Provisions due to changes in federal tax law.	Lender requires verification of funds available from development group for road infrastructure. Special Deposit Fund must be held at Morris Bank		Must confirm funding availability for Phase 1 & Phase 2 Improvements.  No contesting of real property tax value below a level to maintain Debt Service Coverage Requirement.  City required to maintain Debt Service Reserve equal to greater of \$250,000 or next 18 months debt service until AV reaches \$40 million.  1.20x additional bonds test for subordinate debt.



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CITY OF STATESBORO, GEORGIA

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BOND RESOLUTION-2019-24

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Adopted June 18, 2019

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PROVIDING FOR THE ISSUANCE OF  
CITY OF STATESBORO, GEORGIA  
TAX ALLOCATION DISTRICT REVENUE BOND (OLD REGISTER TAD PROJECTS),  
SERIES 2019  
IN THE PRINCIPAL AMOUNT  
OF \$4,750,000

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## BOND RESOLUTION

THIS BOND RESOLUTION (this “**Resolution**”), adopted June 18, 2019, by the Mayor and City Council of the City of Statesboro (the “**City**”);

### PREAMBLE

WHEREAS, in accordance with the Constitution and the laws of the State of Georgia, including particularly Chapter 44 of Title 36 of the Official Code of Georgia Annotated (“**O.C.G.A.**”), as amended (the “**Redevelopment Powers Law**”), the Mayor and Council of the City of Statesboro adopted a resolution on \_\_\_\_\_ approving a redevelopment plan and associated tax allocation district identified as the Old Register TAD; and

WHEREAS, the City of Statesboro, Bulloch County and the Bulloch County School District (the “**School District**”) entered into an intergovernmental agreement dated as of \_\_\_\_\_ (the “**Intergovernmental Agreement**”), providing for the inclusion of the [“County Tax Allocation Increment” and the “School District Tax Allocation Increment,” as defined by the Intergovernmental Agreement,] to be used toward the improvements to be made inside Old Register TAD; and

WHEREAS, pursuant to the Redevelopment Powers Law, the City is authorized to finance certain Redevelopment Costs, as defined in the Redevelopment Powers Law, and has determined it is in the best interests of the citizens of the City to construct certain improvements inside Old Register TAD (the “**Tax Allocation District**”) and authorize the pledge of positive *ad valorem* tax allocation increments derived from the Tax Allocation District, for the payment or as security for the payment of tax allocation district revenue bonds; and

WHEREAS, the Mayor and City Council of the City hereby determines that in accordance with O.C.G.A. § 36-44-20, that the positive *ad valorem* tax allocation increments derived from the Tax Allocation District may be insufficient to pay all principal and interest on the hereinafter defined Series 2019 Bond, and that the City will pledge or otherwise obligate its general funds derived from the Tax Allocation District (the “**Tax Allocation General Funds**”) for payment or security for payment of the Series 2019 Bond; and

WHEREAS, the City has determined that it is in the best interests of the citizens of the City that certain improvements be made inside the Tax Allocation District consisting of (i) the widening of Old Register Road, (ii) an extension of a new road to Veteran’s Memorial Parkway and Akins Boulevard intersection, and (iii) certain curb, gutter, sidewalks, water, wastewater and stormwater improvements relating to such road improvements (collectively, the “**Projects**”), as more particularly described in the preliminary plans and specifications therefor on file with the City, as the same may be amended and finalized; and

WHEREAS, the City now intends to finance a portion of the costs of the Projects through the issuance of its CITY OF STATESBORO TAX ALLOCATION DISTRICT REVENUE BOND (OLD REGISTER TAD PROJECTS), SERIES 2019, to be issued in the principal amount of \$4,750,000 (the “**Series 2019 Bond**”), pursuant to the authority set forth in the Redevelopment Powers Law,

which Series 2019 Bond shall be secured by and payable from the Pledged Revenues (as hereinafter defined); and

WHEREAS, it is necessary that all right, title and interest of the City in the “Pledged Revenues” (as hereinafter defined) be assigned to the holders of the Bonds (as defined herein); and

WHEREAS, it is also proposed that the City should take all such additional actions, make all such elections, authorize the filing of such certificates, applications, reports and notices, and authorize such other actions and proceedings as shall be necessary in connection with the issuance of the Series 2019 Bond.

NOW, THEREFORE, BE IT RESOLVED by the Mayor and City Council of the City of Statesboro in a public meeting properly and lawfully called and assembled, as follows:

**ARTICLE I.  
DEFINITIONS; RULES OF CONSTRUCTION**

**Section 101. Definitions of Certain Terms.**

In addition to the words and phrases elsewhere defined in this Bond Resolution, the following words and phrases used herein shall have the following meanings:

“**Authentication Agent**” means the City Clerk of the City of Statesboro or any successor authentication agent hereafter appointed by the City.

“**Bond Registrar**” means the City Clerk of the City of Statesboro or any successor bond registrar hereafter appointed by the City.

“**Bond Resolution**” means this bond resolution, including any supplements or amendments hereto, which authorizes the issuance of the Series 2019 Bond.

“**Bond Year**” means the annual period beginning on the fifteenth day of August of each year and ending on the fourteenth day of August of the following year.

“**Bonds**” means the Series 2019 Bond, and, from and after the issuance of any Parity Bonds, unless the context clearly indicates otherwise, such Parity Bonds.

“**Bondowner**” or “**Owner**” or “**Registered Owner**” means the registered owner of the Series 2019 Bond or its assigns.

“**City**” means the City of Statesboro, a municipal corporation of the State of Georgia, created and existing under the laws of the State, and its successors and assigns.

“**Code**” means the Internal Revenue Code of 1986, as amended.

“**Costs of Issuance**” means the reasonable and necessary costs and expenses incurred by the City with respect to the issuance of the Series 2019 Bond, this Bond Resolution, and any transaction or event contemplated by this Bond Resolution, including fees and expenses of accountants, attorneys, and financial fees and expenses, advertising, recording, validation and printing expenses, and all other costs and expenses incurred in connection with the issuance of the Series 2019 Bond.

“**Cost,**” “**Costs**” or “**Cost of the Projects**” shall include, without limiting the items of cost permitted under the Redevelopment Powers Law, the following items to the extent they relate to the Projects: (i) all direct costs of the Projects as described in the plans and specifications for the Projects; (ii) all costs of planning, designing, constructing, financing and start-up costs of the Projects; (iii) all costs of issuance of Bonds, including the cost of any municipal bond insurance, if any, fees and expenses of Bond Counsel, special tax counsel and financial advisors, printing costs, Rating Agency fees, initial acceptance fees of paying agents, trustees and depositories, (iv) all engineering, legal and financial costs and expenses; (v) all expenses for estimates of costs and of revenues; (vi) all costs of obtaining governmental and

regulatory permits, licenses and approvals; (vii) all fees of special advisors and consultants associated with one or more aspects of the Projects; (viii) interest on Bonds prior to and during construction of such Projects for which such Bonds were issued, and for such additional periods as the City may reasonably determine to be necessary for the placing of such Projects in operation; (ix) the reimbursement to the City of all such Costs of the Projects that have been advanced by the City from its available funds before the delivery of a Series of Bonds issued to finance such costs; and (x) such other costs and expenses which shall be necessary or incidental to the financing herein authorized and the construction of the Projects and the placing of same in operation.

“**Debt Service**” means the principal of and interest due on the Bonds in any Bond Year.

“**Governing Body**” means the Mayor and City Council of the City of Statesboro.

“**Government Obligations**” means bonds or other obligations of the United States of America or obligations representing an interest therein which as to principal and interest constitute direct obligations of the United States of America or are fully guaranteed as to payment by the United States of America.

“**Holder**,” “**Bondholder**,” or “**Bondowner**” means the registered owner of any Bond or its assigns.

“**Interest Payment Date**” means the 15th day of February and August of each year, commencing, in the case of the Series 2019 Bond, on February 15, 2020, or such other date established by a supplemental resolution of the City.

“**Intergovernmental Agreement**” means an intergovernmental agreement dated as of \_\_\_\_\_, among the City of Statesboro, Bulloch County and the Bulloch County School District.

“**O.C.G.A.**” means the Official Code of Georgia Annotated.

“**Outstanding**” or “**Outstanding Bonds**” means all Bonds which have been executed and delivered pursuant to the Resolution except:

(a) Bonds cancelled because of payment or redemption;

(b) Bonds for the payment or redemption of which funds or securities in which such funds are invested shall have been theretofore deposited with a duly designated Paying Agent for the Bonds (whether upon or prior to the maturity or redemption date of any such Bonds) provided that if such Bonds are to be redeemed prior to the maturity thereof, notice of such redemption shall have been given or provision satisfactory to such Paying Agent shall have been made therefor, or a waiver of such notice, satisfactory in form to such Paying Agent, shall have been filed with such Paying Agent; and

(c) Bonds in lieu of which other Bonds have been executed and delivered under Section 205 of the Resolution.

**“Parity Bonds”** means any tax allocation district revenue bonds issued pursuant to the terms of Section 602 of this Bond Resolution.

**“Paying Agent”** means the City Clerk of the City of Statesboro or any successor paying agent hereafter appointed by the City.

**“Pledged Revenues”** means (a) the Tax Allocation Increments, (b) the Tax Allocation General Funds, (c) amounts held in the funds and accounts established in Section 501 of this Bond Resolution (excluding amounts held in the Rebate Account), (d) all earnings derived from the investment of the amounts in the Project Fund and the Special Fund, and (e) any other amounts deposited with the Special Fund Custodian and designated by the City as Pledged Revenues.

**“Projects”** means the infrastructure improvements to be constructed within the Tax Allocation District as set forth in the preamble to this Resolution.

**“Project Fund”** means the Project Fund created pursuant to Section 401 of this Bond Resolution.

**“Project Fund Custodian”** means \_\_\_\_\_, or any successor project fund custodian hereafter appointed by the City; provided, however, the Project Fund Custodian shall at all times be a commercial bank or trust company.

**“Rebate Amount”** means the rebatable arbitrage in connection with the Bonds that is payable to the United States Treasury pursuant to Section 148(f) of the Tax Code.

**“Rebate Calculator”** means any nationally recognized bond counsel or nationally recognized firm of certified public accountants, which is expert in making the calculations required by Section 148(f) of the Tax Code, appointed by the City pursuant to Section 704 to make the calculations required by Section 148(f) of the Tax Code in connection with the Bonds.

**“Redevelopment Costs”** means “Redevelopment Costs” as defined in the Redevelopment Powers Law.

**“Redevelopment Powers Law”** means Chapter 44 of Title 36 of O.C.G.A., entitled the “Redevelopment Powers Law,” as amended, and as the same may be from time to time additionally supplemented and amended.

**“Resolution”** means collectively (i) this Bond Resolution and (ii) any resolution adopted authorizing the issuance of additional Parity Bonds, for so long as any such additional Parity Bonds remain outstanding.

**“Revenue Bond Law”** means O.C.G.A. § 36-82-60 through § 36-82-85, as amended.

“**Series 2019 Bond**” means the CITY OF STATESBORO TAX ALLOCATION DISTRICT REVENUE BOND (OLD REGISTER TAD PROJECTS), SERIES 2019, authorized to be issued pursuant to the provisions of this Bond Resolution.

“**Special Fund**” means the fund heretofore created and described in Section 501 of this Bond Resolution.

“**Special Fund Custodian**” means \_\_\_\_\_ or any successor special fund custodian hereafter appointed by the City; provided, however, the Special Fund Custodian shall at all times be a commercial bank or trust company.

“**State**” means the State of Georgia.

“**Tax Allocation District**” means the Old Register TAD, which was created by the Mayor and City Council of the City of Statesboro on \_\_\_\_\_, pursuant to O.C.G.A. § 36-44-8.

“**Tax Allocation General Funds**” means the general funds derived by the City from the Tax Allocation District in the event the Tax Allocation Increments are insufficient to pay the Debt Service as authorized by O.C.G.A. § 36-44-20.

“**Tax Allocation Increments**” means all positive “tax allocation increments” (as defined in O.C.G.A. § 36-44-3(14) and computed pursuant to O.C.G.A. § 36-44-9) received by the City from time to time for the Tax Allocation District.

**Section 102. Rules of Construction.** Unless the context clearly indicates to the contrary:

(a) “herein,” “hereby,” “hereunder,” “hereof,” “hereinbefore,” “hereinafter” and other equivalent words refer to this Bond Resolution and not solely to the particular portion thereof in which any such word is used;

(b) any pronoun used herein shall be deemed to cover all genders;

(c) all references herein to particular Articles or Sections are references to Articles or Sections of this Bond Resolution; and

(d) the titles preceding each Section of this Bond Resolution are for convenience of reference only and are not intended to define, limit or describe the scope or intent of any provisions of this Bond Resolution.

[END OF ARTICLE I]

**ARTICLE II.  
AUTHORIZATION, TERMS, AND FORM OF BOND**

**Section 201. Authorization and Designation of Series 2019 Bond.**

(a) The CITY OF STATESBORO, GEORGIA TAX ALLOCATION DISTRICT REVENUE BOND (OLD REGISTER TAD PROJECTS), SERIES 2019, in the principal amount \$4,750,000 (the “**Series 2019 Bond**”), is authorized to be issued for the purpose of paying the costs of the Projects and paying the costs incident thereto, pursuant to the Redevelopment Powers Law, the Revenue Bond Law, the Constitution of the State of Georgia, the general laws of the State of Georgia, the laws of the State of Georgia relating to the City, and the Resolution.

(b) All the covenants, agreements and provisions of this Resolution shall be for the equal and proportionate benefit and security of all owners of the Bonds without preference, priority or distinction as to the charge, lien or otherwise of any one Bond over any other Bond.

**Section 202. Date, Denominations, Maturities, Interest Payment Date, and Other Particulars of the Series 2019 Bond.**

(a) The Series 2019 Bond shall be issued as a single, fully registered bond without coupons in the principal amount of \$4,750,000, and shall be numbered R-1.

(b) The Series 2019 Bond shall bear interest from its dated date on the outstanding principal amount thereof at the rate of **2.19%** per annum, computed on the basis of a 360-day year consisting of twelve 30-day months.

(c) Installments of interest on the Series 2019 Bond shall be payable semi-annually on February 15 and August 15 of each year (calculated on the basis of a 360-day year of twelve 30-day months) beginning on February 15, 2020 (each an “**Interest Payment Date**”) and principal on the Series 2019 Bond shall be payable in full on August 15, 2023, as set forth in the principal and interest installment schedule attached as Schedule 1 to the form of the Series 2019 Bond in Section 213 hereof.

(d) The principal and interest on the Series 2019 Bond shall be payable in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

(e) Principal and interest on the Series 2019 Bond shall be payable in the manner and at the place designated by the Registered Owner by check or draft mailed by first class mail at such owner’s address as it shall appear on the bond register kept by the Bond Registrar (or by wire transfer to a wire transfer address which the Bondholder has provided to the Paying Agent not less than five days prior to an Interest Payment Date, which wire instructions shall remain in effect until the Paying Agent is notified to the contrary). Principal and interest payments on the Series 2019 Bond shall be payable without any requirement for presentation and surrender of the same at the office of the Paying Agent. The Bondowner shall surrender the Bond to the Bond Registrar and Paying Agent for cancellation and destruction upon its receipt of such final principal and interest installment.



**Section 203. Execution of Series 2019 Bond.** The Series 2019 Bond will be executed on behalf of the City with the manual signature of its Mayor and the seal of the City will be impressed thereon and attested by the manual signature of the City Clerk. The Series 2019 Bond will be issued in fully registered form.

In case any officer whose manual signature shall appear on the Series 2019 Bond shall cease to be such officer before delivery of the Series 2019 Bond, such signature shall, nevertheless, be valid and sufficient for all purposes the same as if he had remained in office until delivery, and the Series 2019 Bond may, nevertheless, be issued and delivered as though the person whose signature appears on the Series 2019 Bond had not ceased to be such officer. The Series 2019 Bond may be executed and sealed on behalf of the City by the signatures of such officers who may, at the time of the execution of the Series 2019 Bond, hold the proper offices of the City although on the date of the Series 2019 Bond or on the date of any lawful proceedings taken in connection therewith such persons may not have held such offices.

**Section 204. Authentication of Bonds.** Each Bond shall bear thereon a certificate of authentication substantially in the form hereinafter prescribed, executed by the Authentication Agent with a manually executed signature. Only such Bonds as shall bear thereon such certificate of authentication shall be entitled to any right or benefit under the Resolution and no Bond shall be valid or obligatory for any purpose until such certificate of authentication shall have been duly executed by the Authentication Agent and such certificate of the Authentication Agent shall be conclusive evidence that the Bond so authenticated has been duly authenticated, registered and delivered under the Resolution and that the owner thereof is entitled to the benefits of the Resolution. The Authentication Agent's certificate of authentication on any Bond shall be deemed to have been executed by the Authentication Agent if signed manually by an authorized officer of the Authentication Agent or its authorized representative, but it shall not be necessary that the same officer or authorized representative sign the certificate of authentication on all the Bonds.

**Section 205. Mutilated, Lost, Stolen, or Destroyed Bonds.** In the event any Bond is mutilated, lost, stolen, or destroyed, the City will execute and deliver a new Bond of like tenor as that mutilated, lost, stolen, or destroyed, provided that, in the case of any such mutilated Bond, such Bond is first surrendered to the Paying Agent and, in the case of any such lost, stolen, or destroyed Bond, there is first furnished evidence of such loss, theft, or destruction satisfactory to the City, together with indemnity satisfactory to the City. No service charge shall be made for any such transaction, but a charge may be made to cover any actual expense incurred. In the event any such Bond shall have matured or become due, in lieu of issuing a duplicate Bond the City may pay such Bond without surrender thereof.

**Section 206. Persons Treated as Owners of Bonds.** The City and its agents, including the Paying Agent and Bond Registrar, may deem and treat the registered owner of any Bond as the absolute owner of such Bond for the purpose of receiving payment of the principal thereof and the interest thereon and for all other purposes whatever. All such payments of principal, premium, if any, and interest made to any such owner or upon his order shall be valid and effectual to satisfy and discharge the liability upon such bond to the extent of the sum or sums so paid, and neither the City nor any such agent shall be affected by any notice to the contrary.

**Section 207. Validation.** A validation certificate of the Clerk of the Superior Court of Bulloch County, bearing the signature of such Clerk will be endorsed on each Bond and will be essential to its validity.

**Section 208. Registration; Transfer and Exchange of Bonds.** The Bond Registrar is hereby designated as Authentication Agent for purposes of authenticating any Bonds issued hereunder or issued in exchange or in replacement for Bonds previously issued. The Bonds may be transferred only on the bond register of the Bond Registrar. No transfer of any Bond shall be permitted except upon presentation and surrender of such Bond at the principal office of the Bond Registrar with a written assignment signed by the registered owner of such Bond in person or by a duly authorized attorney in form and with guaranty of signature satisfactory to the Bond Registrar.

Upon surrender for registration of transfer of any such bond at the principal office of the Bond Registrar, the City shall execute and the Authentication Agent shall authenticate and deliver to the transferee or transferees a new Bond for a like aggregate principal amount and maturity. Bonds may be exchanged at the principal office of the Bond Registrar for a like aggregate principal amount of Bonds of authorized denominations and of like maturity. The execution by the City of any Bond in any authorized denomination shall constitute full and due authorization of such denomination and the Bond Registrar shall thereby be authorized to authenticate and deliver such Bond. No charge shall be made to any Bondholder for the privilege of registration of transfer or exchange, but any Bondholder requesting any such registration of transfer or exchange shall pay any tax or other governmental charge required to be paid with respect thereto.

**Section 209. Security for the Bonds.** In order to secure the punctual payment of the principal of, premium, if any, and interest on the Bonds, the City hereby irrevocably pledges to the prompt payment of the principal of, premium, if any, and interest on the Bonds, and grants to the owners of the Bonds a first priority lien upon, all Pledged Revenues. The Pledged Revenues shall immediately be subject to the lien of this pledge for the benefit of the owners of the Bonds without any physical delivery thereof or further act, and the lien of this pledge shall be valid and binding against the City and against all other persons having claims of any kind against the City, whether such claims shall have arisen in tort, contract, or otherwise, and regardless of whether such persons have notice of the lien of this pledge. This pledge and lien shall rank superior to all other pledges that may hereafter be made and all other liens that may hereafter be granted of any of the Pledged Revenues. The City shall issue no other obligations of any kind or nature payable from or enjoying a lien on the Pledged Revenues or any part thereof having priority over or on a parity with the Bonds.

Except as expressly provided herein to the contrary, all Bonds issued and to be issued hereunder are, and are to be, to the extent provided in the Resolution, equally and ratably secured by the Resolution without preference, priority or distinction on account of the actual time or times of the authentication or delivery or maturity of the Bonds, so that, subject as aforesaid, all Bonds at any time Outstanding hereunder shall have the same right, lien and preference under and by virtue of the Resolution and shall all be equally and ratably secured hereby with like

effect as if they had all been executed, authenticated and delivered simultaneously on the date of the Resolution, whether the same or any of them shall actually have been issued as of such date, or may be authorized to be executed, authenticated and delivered after the date hereof pursuant to the provisions of the Resolution.

**Section 210. Limited Obligation.** The Bonds shall be special or limited obligations and not general obligations of the City, shall be payable solely from the Pledged Revenues, and shall be a valid claim of the Bondholders only against the Pledged Revenues, which Pledged Revenues are hereby again specifically pledged and assigned for the payment of the Bonds and shall be used for no other purpose than to pay the principal of, premium, if any, and interest on the Bonds, except as may be otherwise expressly authorized hereby. The Bonds shall not constitute general or moral obligations of the City nor an indebtedness of, or a pledge of the faith and credit or general taxing power of, the City, Bulloch County, the Bulloch County School District, or the State of Georgia or any political subdivision thereof, within the meaning of any constitutional or statutory provision whatsoever. Neither the faith and credit nor the general taxing power of the State of Georgia, the City, Bulloch County, the Bulloch County School District, or any political subdivision thereof is pledged to the payment of the principal of, premium, if any, or interest on the Bonds or other costs incident thereto. Neither the members of the Governing Body nor any person executing the Bonds shall be liable personally on the Bonds by reason of the issuance thereof.

**Section 211. Records Maintenance.** In every case of an exchange of Bonds and of the registration of transfer of any Bond, the surrendered Bonds shall be held by the Bond Registrar. A certificate summarizing the exchanges or registrations of transfer occurring in the previous calendar year shall be sent at the end of each Bond Year to the City. All Bonds surrendered for exchange or registration of transfer shall be cancelled by the Bond Registrar and a certificate summarizing such cancellations for each Bond Year shall be sent to the City.

**Section 212. Destruction of Cancelled Bonds.** All Bonds paid, purchased or redeemed, either at or before maturity, shall be cancelled and delivered to the Bond Registrar when such payment or redemption is made. All Bonds so cancelled shall be destroyed upon their delivery to the Bond Registrar in accordance with the practice then prevailing with the City and record of such destruction shall be made and preserved in the permanent records of said City.

**Section 213. Form of Series 2019 Bond.** The Series 2019 Bond and the certificate of validation and certificate of authentication to be endorsed thereon will be in substantially the following terms and form, with such variations, omissions, and insertions as may be required to complete properly the Series 2019 Bond and as may be approved by the officer or officers executing the Series 2019 Bond by manual or facsimile signature, which approval shall be conclusively evidenced by such execution:

[FORM OF SERIES 2019 BOND]

THIS BOND AND THE INSTRUMENTS HEREINAFTER DESCRIBED ARE SUBJECT TO AN INVESTMENT LETTER AGREEMENT AND MAY NOT BE SOLD, TRANSFERRED, ASSIGNED, OR OTHERWISE DISPOSED OF EXCEPT PURSUANT TO THE TERMS OF SUCH INVESTMENT LETTER AGREEMENT.

*This Bond shall not be sold or transferred if such sale or transfer would void the exemption, contained in U.S. Securities and Exchange Commission Rule 15c2-12(d)(1)(i), from the disclosure requirements of Securities and Exchange Commission Rule 15c2-12(b)(5) or any similar rules or statutes in effect at the time of such sale or transfer.*

No. R - 1

UNITED STATES OF AMERICA  
STATE OF GEORGIA  
THE CITY OF STATESBORO, GEORGIA  
TAX ALLOCATION DISTRICT REVENUE BOND (OLD REGISTER TAD PROJECTS),  
SERIES 2019

Maturity Date: August 15, 2023

Principal Amount: \$4,750,000

Interest Rate: 2.19%

Bond Date: [Date of Issuance]

Registered Owner: Branch Banking and Trust Company

KNOW ALL MEN BY THESE PRESENTS that THE CITY OF STATESBORO, GEORGIA (“the City”), a municipal corporation of the State of Georgia, for value received, hereby promises to pay, but only from the sources as hereinafter provided, to the registered owner shown above, or registered assigns, the principal sum stated above, on August 15, 2023, and to pay interest at the rate of 2.19% per annum on the outstanding principal amount due (calculated on the basis of a 360-day year of twelve 30-day months), on February 15 and August 15 of each year beginning February 15, 2020 (each an “Interest Payment Date”) as set forth in Schedule 1, which is attached hereto and made a part hereof, by check or draft mailed by first class mail to such owner at such owner’s address as it shall appear on the bond register kept by the Bond Registrar (or by wire transfer to the registered owner at a wire transfer address which said registered owner has provided to the Paying Agent not less than five days prior to an Interest Payment Date, which wire instructions shall remain in effect until the Paying Agent is notified to the contrary). The principal of, premium, if any, and interest on this Bond are payable in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

THIS BOND SHALL NEVER CONSTITUTE AN INDEBTEDNESS OR GENERAL OBLIGATION OF THE STATE OF GEORGIA, THE CITY, BULLOCH COUNTY, THE BULLOCH COUNTY SCHOOL DISTRICT, OR ANY OTHER POLITICAL SUBDIVISION OF THE STATE OF GEORGIA, WITHIN THE MEANING OF ANY CONSTITUTIONAL PROVISION OR STATUTORY LIMITATION WHATSOEVER, NOR A PLEDGE OF THE

FAITH AND CREDIT OR GENERAL TAXING POWER OF ANY OF THE FOREGOING. THIS BOND SHALL NOT BE PAYABLE FROM NOR A CHARGE UPON ANY FUNDS OTHER THAN THE REVENUES PLEDGED TO THE PAYMENT HEREOF AND SHALL BE A LIMITED OR SPECIAL OBLIGATION OF THE CITY PAYABLE SOLELY FROM THE FUNDS PROVIDED THEREFOR IN THE BOND RESOLUTION (AS DEFINED BELOW). NO OWNER OF THIS BOND SHALL EVER HAVE THE RIGHT TO COMPEL THE EXERCISE OF THE GENERAL TAXING POWER OF THE STATE OF GEORGIA, THE CITY, BULLOCH COUNTY, THE BULLOCH COUNTY SCHOOL DISTRICT, OR ANY OTHER POLITICAL SUBDIVISION OF THE STATE OF GEORGIA TO PAY THE PRINCIPAL OF THIS BOND OR THE INTEREST OR ANY PREMIUM HEREON, OR TO ENFORCE PAYMENT HEREOF AGAINST ANY PROPERTY OF THE FOREGOING, EXCEPT FOR THE FUNDS PLEDGED TO SECURE THE BOND IN THE BOND RESOLUTION, NOR SHALL THIS BOND CONSTITUTE A CHARGE, LIEN, OR ENCUMBRANCE, LEGAL OR EQUITABLE, UPON ANY PROPERTY OF THE FOREGOING, EXCEPT FOR THE FUNDS PLEDGED TO SECURE THE BOND IN THE BOND RESOLUTION. NEITHER THE MEMBERS OF THE GOVERNING BODY OF THE CITY NOR ANY PERSON EXECUTING THIS BOND SHALL BE LIABLE PERSONALLY ON THIS BOND BY REASON OF THE ISSUANCE HEREOF.

This Bond is the duly authorized Bond designated as the CITY OF STATESBORO, GEORGIA TAX ALLOCATION DISTRICT REVENUE BOND (OLD REGISTER TAD PROJECTS), SERIES 2019, in the principal amount of \$4,750,000 (the “Bond”), issued under and by virtue of the authority contained in and conferred by the Constitution and laws of the State of Georgia, including particularly the Redevelopment Powers Law (O.C.G.A. § 36-44-1, *et seq.*), the Revenue Bond Law (O.C.G.A. § 36-82-60, *et seq.*, a resolution of the City adopted on June 18, 2019 (the “Bond Resolution”), and other applicable provisions of law, to provide for the cost of constructing certain public infrastructure improvements within the Old Register TAD (the “Tax Allocation District”) and financing related costs. This Bond is subject to the terms and conditions of the Bond Resolution.

In order to secure the punctual payment of the principal of and interest on this Bond, the City has pledged in the Bond Resolution to the prompt payment of the principal of and interest on this Bond, and granted to the owner of this Bond a lien upon, the “Pledged Revenues” (as defined in the Bond Resolution”), which includes all positive “tax allocation increments” (as defined in the Redevelopment Powers Law) to be derived from the Tax Allocation District and the City’s general funds derived from the Tax Allocation District to the extent that the positive tax allocation increments are insufficient at any time to pay principal and interest due on this Bond. Reference is hereby made to the Bond Resolution for a description of the security for this Bond; the provisions, among others, with respect to the nature and extent of the security for this Bond; the rights, duties, and obligations of the City and the registered owner of this Bond; and the provisions regulating the manner in which the terms of the Bond Resolution may be modified, to all of which provisions the owner of this Bond, on behalf of itself and its successors in interest, assents by acceptance hereof. The City has reserved the right to issue additional parity bonds (the “Parity Bonds” and together with the Series 2019 Bond, the “Bonds”) payable from the Pledged Revenues on a parity with the Series 2019 Bond.

Upon surrender of this Bond at the office of the City for registration of transfer, duly endorsed or accompanied by a written instrument of transfer duly executed by the registered owner of this Bond or its attorney duly authorized in writing and accompanied by the address for notices of each transferee of this Bond, the City shall execute and deliver, at the City's expense (except as provided below), a new Bond in exchange herefor, in a principal amount equal to the unpaid principal amount of the surrendered Bond. Each such new Bond shall be payable to such person as the former registered owner of this Bond may request and shall be issued as a single, fully registered bond. Each such new Bond shall be dated and bear interest from the date to which interest shall have been paid on the surrendered Bond or dated the date of the surrendered Bond if no interest shall have been paid hereon. The City may require payment of a sum sufficient to cover any stamp tax or governmental charge imposed in respect of any such transfer of this Bond. This Bond shall not be transferred in a denomination of less than the unpaid principal amount of the surrendered Bond.

[PREPAYMENT LANGUAGE HERE]

[Any partial prepayments of this Bond shall be applied to the payment of principal due on this Bond at maturity. Upon any partial prepayment of this Bond, the City shall provide a revised Schedule 1 to the registered owner shown above, or registered assigns of this Bond.]

This Bond is not a general obligation of the City but is payable solely from the Pledged Revenues (as defined in the Bond Resolution). The obligations hereunder shall be limited as provided in § 36-44-14(c) of the Redevelopment Powers Law. This Bond is issued by the City to accomplish the public purposes of the Redevelopment Powers Law.

IT IS HEREBY CERTIFIED, RECITED, AND DECLARED that all acts, conditions, and things required to exist, happen, and be performed precedent to and in the issuance of this Bond do exist, have happened, and have been performed in due time, form, and manner as required by law in order to make this Bond a valid and legal special limited obligation of the City and that the issuance of this Bond, together with all other obligations of the City, does not exceed or violate any constitutional or statutory limitation applicable to the City.

IN WITNESS WHEREOF, THE CITY OF STATESBORO, GEORGIA has caused this Bond to be executed with the manual signature of its Mayor, and has caused its corporate seal to be hereunto impressed and attested with the manual signature of its City Clerk, as of the date of its authentication.

THE CITY OF STATESBORO, GEORGIA

By: \_\_\_\_\_  
Mayor

(SEAL)

Attest: \_\_\_\_\_  
City Clerk

VALIDATION CERTIFICATE

STATE OF GEORGIA

COUNTY OF BULLOCH

The undersigned Clerk of Superior Court of Bulloch County, Georgia, HEREBY CERTIFIES that the within Bond was confirmed and validated by judgment of the Superior Court of Bulloch County, Georgia, rendered on the \_\_\_\_ day of \_\_\_\_\_, 2019, that no intervention or objection was filed thereto and that no appeal has been taken therefrom.

WITNESS my signature and the seal of said Court.

(SEAL)

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Clerk of Superior Court  
Bulloch County, Georgia



CERTIFICATE OF REGISTRATION

The transfer of this Bond shall be registered on books kept by the Bond Registrar, such registration being noted hereon by the Bond Registrar in the registration blanks below, and no transfer shall be valid unless made on said books at the request of the registered holder or attorney duly authorized, and such transfer is similarly noted in the registration blank below.

<u>Date of Registration</u>	<u>In Whose Name Registered</u>	<u>Signature</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto

Social Security Number or  
Other Identifying Number of Assignee:

\_\_\_\_\_

Please print or type name and address  
(including postal zip code) of Assignee:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

the within bond and all rights thereunder, and hereby irrevocably constitutes and appoints

\_\_\_\_\_ as Agent to transfer the within Bond on the

books kept for registration thereof, with full power of substitution in the premises.

(FORM)

\_\_\_\_\_  
Assignor

NOTICE: The signature to this Assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever.

Date: \_\_\_\_\_, 20\_\_

Signature Guaranteed:

(FORM)

\_\_\_\_\_  
NOTICE: Signature(s) must be guaranteed by a member firm of the STAMP, SEMP, or MSP signature guarantee medallion programs.

SCHEDULE 1

<u>Payment Date</u>	<u>Principal</u>	<u>Interest</u>	<u>Annual Debt Service</u>
February 15, 2020	--		
August 15, 2020	--		
February 15, 2021	--		
August 15, 2021	--		
February 15, 2022	--		
August 15, 2022	--		
February 15, 2023	--		
August 15, 2023	<u>\$4,750,000.00</u>		
Total	\$4,750,000.00		

[END OF BOND FORM]

[END OF ARTICLE II]

**ARTICLE III.  
PREPAYMENT; APPLICATION OF BOND PROCEEDS**

**Section 301. Prepayment of the Series 2019 Bond.** The Series 2019 Bond shall be subject to optional prepayment prior to maturity, in whole or in part, at any time, at a prepayment price of

[NEED PREPAYMENT LANGUAGE HERE]

**Section 302. Application of Proceeds of Series 2019 Bond.** Concurrently with the delivery of the Series 2019 Bond to the initial purchaser thereof, the City shall apply the proceeds derived from the sale of the Series 2019 Bond as follows:

(a) All capitalized interest, if any, on the Series 2019 Bond shall be deposited into the Special Fund and shall be used only for the purpose of paying the interest which shall first become due on the Series 2019 Bond.

(b) All Costs of Issuance shall be paid at closing directly to those persons who shall be entitled to the same, or a portion of the proceeds estimated to be sufficient to pay all or a portion of the Costs of Issuance may be deposited in a Costs of Issuance Account or the Project Fund to be disbursed in accordance with Section 402 hereof. At such time as all Costs of Issuance have been paid, any money remaining in a Costs of Issuance Account or in the Project Fund shall be transferred to the Project Fund or remain in the Project Fund, as the case may be.

(c) All costs of the Projects incurred by the City prior to the issuance of the Series 2019 Bond which may be reimbursed from bond proceeds in compliance with Treasury Regulations Section 1.150-2 shall be reimbursed to the City.

(d) The balance of the proceeds from the sale of the Series 2019 Bond shall be deposited in the Project Fund.

[END OF ARTICLE III]

**ARTICLE IV.  
PROJECT FUND**

**Section 401. Creation of Project Fund.** There is hereby created and established with the Project Fund Custodian a trust fund to be designated the CITY OF STATESBORO – OLD REGISTER TAD PROJECT FUND (the “**Project Fund**”) and within such fund there is established an account designated the “**Costs of Issuance Account**” to the credit of which deposits shall be made as required by the provisions of Section 302 of this Bond Resolution.

The money in the Project Fund shall constitute trust funds for the purposes provided herein and shall be delivered to and held by the Project Fund Custodian. Subject to the provisions of Section 402(a) of this Bond Resolution, the money in the Project Fund shall be applied to the payment of the Cost of the Projects, and pending such application, shall be subject to a lien and charge in favor of the Holders of the Bonds issued and outstanding under this Bond Resolution, until paid out or transferred as herein provided. All income and profits earned from the investment of funds held in the Project Fund shall be retained in the Project Fund and expended as set forth in this Article IV.

**Section 402. Use of Money in Project Fund.**

(a) Payment of the Cost of the Projects shall be made from the Project Fund. Before any money is disbursed, there shall be filed with the Project Fund Custodian: (i) a requisition for such payment stating each amount to be paid, the circumstances of such obligation and the name of the person, firm or corporation to whom payment thereof is due; and (ii) a certificate attached to the requisition and certifying: (1) that an obligation in the stated amount has been incurred, is a proper charge against the Project Fund and has not been paid; (2) a bill or statement of account for such obligation, or a copy thereof, is attached to the requisition or is on file in the office of the City Clerk; (3) that they have no notice of any vendor’s, mechanic’s or other liens or rights to liens, security interests, chattel mortgages or conditional sales contracts, which should be satisfied or discharged before such payment is made; (4) that such requisition contains no item representing payment on account or any retained percentages which the City is, at the date of such certificates, entitled to retain; and (5) that insofar as such obligation was incurred for work, materials, supplies or equipment in connection with the undertaking, such work was actually performed or such materials, supplies or equipment were actually installed in or about the construction or delivered at the site of the work for that purpose. The requisition shall be signed by a duly authorized representative of the City.

(b) All requisitions and certificates required by this Article shall be retained by the Project Fund Custodian, subject at all times to inspection by an officer of the City or the Bondholders.

(c) Funds set aside to pay Costs of Issuance shall be disbursed to or at the direction of the City, upon written direction to the Project Fund Custodian. The City shall apply or cause the application of such funds to pay the Costs of Issuance of the Bonds. Disbursements from the Costs of Issuance Account shall not require a requisition and certificate as described in Section

402(a) but shall require an invoice for such payment; however, the City shall keep and maintain adequate records pertaining to the Costs of Issuance Account and all disbursements therefrom.

**Section 403. Disposition of Excess Funds in Project Fund.** Upon the completion of the Projects, the City shall direct the Project Fund Custodian to transfer any amounts remaining in the Project Fund, and not reserved or otherwise needed for the payment of any remaining part of the Cost of the Project, to the Special Fund and to use such transferred amount to pay the next occurring principal amount due on the Series 2019 Bond.

[END OF ARTICLE IV]

**ARTICLE V.  
REVENUES AND FLOW OF FUNDS**

**Section 501. Establishment of Funds and Accounts.**

There is hereby established pursuant to O.C.G.A. § 36-44-11(c) the CITY OF STATESBORO, GEORGIA SPECIAL REVENUE FUND (OLD REGISTER TAD) (the “**Special Fund**”). There is hereby established in the Special Fund one (1) separate account to be known as the Rebate Account.

The Special Fund shall be established and held by the Special Fund Custodian. The Special Fund (excluding the Rebate Account) shall constitute a trust fund for the purposes herein provided, shall be subject to a lien and charge in favor of the Bondholders for the purposes herein provided, and shall at all times be kept separate and distinct from all other funds of the City and the Special Fund Custodian and used only as herein provided.

The City shall deposit all Tax Allocation Increments immediately upon receipt into the Special Fund. To the extent that the Tax Allocation Increments deposited into the Special Fund are insufficient to pay all principal and interest due on the Bonds, the City shall make deposits into the Special Fund from Tax Allocation General Funds in accordance with O.C.G.A. § 36-44-20, or from any other legally available revenues.

**Section 502. Disposition of Money in Special Fund.**

(a) Special Fund. The Special Fund Custodian, without further direction from the City, shall apply money held in the Special Fund for the following purposes and in the following order of priority:

First, To the payment when due of the principal of and interest on the Bonds.

Second, To the deposit into the Rebate Account on December 1 of each year an amount sufficient to cause the balance held therein to equal or exceed the Rebate Amount most recently calculated by the Rebate Calculator, which has not been previously paid to the United States Treasury.

Third, To the payment when due of any fees and expenses owed to the Special Fund Custodian, Project Fund Custodian, Paying Agent or Rebate Calculator.

Fourth, any remaining money held in the Special Fund shall be paid to the City to pay Redevelopment Costs in the Tax Allocation District in accordance with the Redevelopment Powers Law. The City is to hold and be responsible for payment of such funds and any interest thereon for Redevelopment Costs.

(b) Rebate Account. The Special Fund Custodian, upon the written direction of the City and the Rebate Calculator (specifying the date, amount, address, and method of payment), shall withdraw funds from the Rebate Account for the purpose of making rebate payments (including penalties) to the United States as required by Section 148(f) of the Tax Code. Except

as otherwise specifically provided in this Section 502(b), money in the Rebate Account may not be withdrawn from the Rebate Account for any other purpose.

If the City shall deliver to the Special Fund Custodian a certificate, signed by the City and the Rebate Calculator, certifying that the City has filed all reports required to be filed with the United States pursuant to Section 148(f) of the Tax Code and has made all payments required to be made to the United States pursuant to Section 148(f) of the Tax Code with respect to the Bonds, then the Special Fund Custodian shall transfer to the Special Fund all money or investments remaining in the Rebate Fund.

In no event shall the Special Fund Custodian be responsible for determining rebate payments, or for making rebate payments, other than as directed to be paid from the Rebate Account by the Rebate Calculator.

[END OF ARTICLE V]



**ARTICLE VI.**  
**PRIORITY OF BONDS PRESERVED; PARITY BONDS; DEFEASANCE**

**Section 601. Priority of Bonds Preserved.** The City will not hereafter issue any other bonds or obligations of any kind or nature payable from or enjoying a charge or lien on the Pledged Revenues prior to the charge or lien herein created for the payment of the Bonds.

**Section 602. Parity Bonds.** Bonds may be issued from time to time payable from the Special Fund and ranking as to lien on the Pledged Revenues *pari passu* with the Bonds which are then outstanding, provided all the following conditions are met:

(a) There shall be no default in the payment of principal of or interest on any Bond currently existing;

(b) The principal amount of the Parity Bonds together with all other Bonds previously issued do not exceed the estimated aggregate Redevelopment Costs for the Tax Allocation District.

(c) The City shall pass proper proceedings reciting that all of the above requirements have been met, shall authorize the issuance of the Parity Bonds and shall provide in such proceedings, among other things, the rate or rates of interest and maturity dates, as well as the registration and redemption provisions, if any. The interest on the Parity Bonds of any such issue shall fall due on February 15 and August 15 of each year, and the Parity Bonds shall mature in installments on August 15, but, as to principal, not necessarily in each year or in equal installments. Any such proceeding or proceedings shall restate and reaffirm, by reference, all of the applicable terms, conditions and provisions of this Bond Resolution.

(d) The City will obtain consent from the Holder of the Series 2019 Bond prior to the issuance of any Parity Bonds.

**Section 603. Defeasance.**

(a) Any funds paid to or received by the City at any time for the purchase or retirement of Bonds shall be placed in a special fund to be created by the City (the “**Defeasance Fund**”) and applied to pay principal of and interest on the Bonds. If and when sufficient funds are deposited in such special fund to pay any outstanding Bonds including interest due or to become due thereon together with the reasonable charges and fees of the Paying Agent and Bond Registrar and together with any premium required to be paid should the Bonds be called for redemption, such deposit shall constitute payment in full of such Bonds: provided, that if such Bonds are to be redeemed prior to the maturity thereof, notice of redemption shall have been duly given or irrevocable provision satisfactory to the Paying Agent or escrow agent shall have been duly made for the giving of notice that the same are to be redeemed on a redemption date established by the City.

(b) Payment in full of any Bonds shall also be accomplished if and when sufficient funds are deposited in such a fund to constitute, in the aggregate a sum which, when invested in

Government Obligations will create, from the principal of and interest on such investments, funds sufficient in amount to pay such outstanding Bonds and the interest due or to become due thereon and the reasonable charges and fees of the Paying Agent and Bond Registrar, together with any premium required to be paid should such Bonds be called for redemption; provided, that if any Bonds are to be redeemed prior to the maturity thereof, notice of redemption shall have been duly given or irrevocable provision satisfactory to the Paying Agent or escrow agent shall have been duly made for the giving of notice that the same are to be redeemed on a redemption date established by the City.

(c) In the event all Bonds are to be redeemed or provision for their payment in full is to be made at the same time, the funds for such redemption or payment may be deposited to and such Bonds may be redeemed or paid from the Defeasance Fund.

(d) After provision shall have been made for the payment of all Bonds and the interest thereon and all expenses and charges herein required to be paid, any balance attributable solely to the Bonds remaining in such fund shall be paid to the City.

(e) At such time as payment in full of any Bonds shall be accomplished in accordance with the provisions of this Section, the lien of such Bonds created by the Resolution on the Pledged Revenues shall be discharged, and such Bonds shall no longer be considered to be outstanding for any purpose except for the payment of the principal thereof and the interest thereon and for the registration and transfer thereof.

(f) Provision for payment of the reasonable charges and fees of the Paying Agent and Bond Registrar required pursuant to this Section 603 shall be deemed to be accomplished if, in lieu of deposit to said special fund of the reasonable charges and fees of the Paying Agent and Bond Registrar, the City obtains a certificate from the Bond Registrar and Paying Agent that such charges and fees have been paid in full or satisfactory arrangements have been made between the Bond Registrar and Paying Agent and the City for such payment.

[END OF ARTICLE VI]

**ARTICLE VII.**  
**DEPOSITORIES OF FUNDS AND SECURITY FOR DEPOSITS**

**Section 701. Funds Constitute Trust Funds.** All money deposited in any fund created hereby shall constitute trust funds for which the City will be responsible as trustee and will be applied in accordance with the terms hereof and for the purposes set forth herein and will not be subject to lien or attachment by any creditor of the City, and, except as otherwise provided herein, all funds received by the City under the terms hereof will, subject to the giving of security as hereinafter provided, be deposited with a depository in the name of the City.

**Section 702. Deposits in Excess of Insured Amount.** Except for money or investments the principal of and interest on which are general obligations of or obligations the principal of and interest on which are unconditionally guaranteed by the United States of America, or an agency or instrumentality thereof, no money belonging to any of the funds to which reference is made herein will be deposited or remain on deposit with any depository or custodian in an amount in excess of the amount guaranteed or insured for public bodies by the Federal Deposit Insurance corporation or other agencies of the United States of America which may succeed to their functions unless such depository or custodian shall have pledged, for the benefit of the City and the owners of the Bonds as collateral security for the money deposited, direct and general obligations of or the obligations the principal of and interest on which are unconditionally guaranteed by the United States of America which have a market value exclusive of accrued interest and a par value at maturity at least equal to that portion of such deposit in excess of the amount so guaranteed or insured.

**Section 703. Investment of Funds.**

(a) *Project Fund Money.* Subject to the provisions of this Resolution, money in the Project Fund may be invested and reinvested in any of the following investments (presently authorized by O.C.G.A. § 36-82-7), if and to the extent the same are at the time legal for investment of bond proceeds:

(1) The local government investment pool created in O.C.G.A. § 36-83-8; or

(2) The following securities and no others:

(A) Bonds or other obligations of the City, or bonds or obligations of the State or other states or of counties, municipal corporations, and political subdivisions of the State;

(B) Bonds or other obligations of the United States or of subsidiary corporations of the United States government, which are fully guaranteed by such government;

(C) Obligations of and obligations guaranteed by agencies or instrumentalities of the United States government, including those issued by the Federal Land Bank, Federal Home Loan Bank, Federal Intermediate Credit Bank, Bank for Cooperatives, and any other such agency or instrumentality now or hereafter in existence; provided, however, that all such obligations shall have a

current credit rating from nationally recognized rating service of at least one of the three highest rating categories available and have a nationally recognized market;

(D) Bonds or other obligations issued by any public housing agency or municipal corporation in the United States, which such bonds or obligations are fully secured as to payment of both principal and interest by a pledge of annual contributions under an annual contributions contract or contracts with the United States government, or project notes issued by any public housing agency, urban renewal agency, or municipal corporation in the United States which are fully secured as to payment of both principal and interest by a requisition, loan, or payment agreement with the United States government;

(E) Certificates of deposit of national or state banks located within the State which have deposits insured by the Federal Deposit Insurance Corporation and certificates of deposit of federal savings and loan associations and state building and loan or savings and loan associations located within the State which have deposits insured by the Savings Association Insurance Fund of the Federal Deposit Insurance Corporation or the Georgia Credit Union Deposit Insurance Corporation, including the certificates of deposit of any bank, savings and loan association, or building and loan association acting as depository, custodian, or trustee for any proceeds of the Bonds; provided, however, that the portion of such certificates of deposit in excess of the amount insured by the Federal Deposit Insurance Corporation, the Savings Association Insurance Fund of the Federal Deposit Insurance Corporation, or the Georgia Credit Union Deposit Insurance Corporation, if any, shall be secured by deposit with the Federal Reserve Bank of Atlanta, Georgia, or with any national or state bank or federal savings and loan association or state building and loan or savings and loan association located within the State or with a trust office within the State, of one or more of the following securities in an aggregate principal amount equal at least to the amount of such excess: direct and general obligations of the State or other states or any county or municipal corporation in the State, obligations of the United States or subsidiary corporations included in subparagraph (B) above, obligations of the agencies and instrumentalities of the United States government included in subparagraph (C) above, or bonds, obligations, or project notes of public housing agencies, urban renewal agencies, or municipalities included in subparagraph (D) above; and

(F) Securities of or other interests in any no-load, open-end management type investment company or investment trust registered under the Investment Company Act of 1940, as from time to time amended, or any common trust fund maintained by any bank or trust company which holds such proceeds as trustee or by an affiliate thereof so long as:

(i) the portfolio of such investment company or investment trust or common trust fund is limited to the obligations referenced in

subparagraph (B) and (C) above and repurchase agreements fully collateralized by any such obligations;

(ii) such investment company or investment trust or common trust fund takes delivery of such collateral either directly or through an authorized custodian;

(iii) such investment company or investment trust or common trust fund is managed so as to maintain its shares at a constant net asset value; and

(iv) securities of or other interests in such investment company or investment trust or common trust fund are purchased and redeemed only through the use of national or state banks having corporate trust powers and located within the State; and

(G) Interest-bearing time deposits, repurchase agreements, reverse repurchase agreements, rate guarantee agreements, or other similar banking arrangements with a bank or trust company having capital and surplus aggregating at least \$50 million or with any government bond dealer reporting to, trading with, and recognized as a primary dealer by the Federal Reserve Bank of New York having capital aggregating at least \$50 million or with any corporation which is subject to registration with the Board of Governors of the Federal Reserve System pursuant to the requirements of the Bank Holding Company Act of 1956, provided that each such interest-bearing time deposit, repurchase agreement, reverse repurchase agreement, rate guarantee agreement, or other similar banking arrangement shall permit the money so placed to be available for use at the time provided with respect to the investment or reinvestment of such money.

(b) *Special Fund Money.* Money in the Special Fund may be invested by the City in the following investments if and to the extent the same are at the time legal for investment of such money:

(1) Any of the following investments (presently authorized by O.C.G.A. § 36-80-3 and O.C.G.A. § 36-83-4), if and to the extent the same are at the time legal for investment of such money:

(A) Obligations of the United States and of its agencies and instrumentalities, or obligations fully insured or guaranteed by the United States government or by one of its agencies;

(B) Obligations of any corporation of the United States government;

(C) Bonds or certificates of indebtedness of the State and of its agencies and instrumentalities, or of other states;

(D) Obligations of other political subdivisions of the State;

(E) Certificates of deposit of banks which have deposits insured by the Federal Deposit Insurance Corporation; provided, however, that portion of such certificates of deposit in excess of the amount insured by the Federal Deposit Insurance Corporation must be secured by direct obligations of the State or the United States which are of a par value equal to that portion of such certificates of deposit which would be uninsured;

(F) Prime bankers' acceptances;

(G) Repurchase agreements; and

(H) The local government investment pool established by O.C.G.A. § 36-83-8; and

(2) any other investments to the extent at the time hereafter permitted by the applicable law of the State for the investment of public funds.

**Section 704. Designation of Paying Agent, Bond Registrar, and Custodians.**

\_\_\_\_\_, is hereby designated as depository for the Project Fund and the Special Fund. The City Clerk is hereby designated as Paying Agent and Bond Registrar for the Series 2019 Bond. A successor depository for or custodian of any fund or account and a successor Bond Registrar and Paying Agent may, from time to time, be designated provided such successor complies with all of the provisions of the Resolution.

**Section 705. Authorization for Investments by Depositories.** The City may at any time and from time to time direct any depository or custodian for any fund to make specific investments of money on deposit in such fund in accordance with Section 703 or may provide any such depository or custodian with general and continuing authorization to invest money in any such fund in accordance with the provisions of Section 703.

[END OF ARTICLE VII]

**ARTICLE VIII.  
PARTICULAR COVENANTS OF THE CITY**

**Section 801. Covenant of the City as to Performance of Obligations.** The City covenants that it will cause to be paid promptly the principal of, and premiums, if any, and the interest on every Bond issued under the provisions of this Bond Resolution at the places, on the dates and in the manner provided herein and in said Bonds according to the true intent and meaning thereof; provided, however, the principal of, and premiums, if any, and interest on the Bonds are payable solely from the Pledged Revenues and any other income and other money to the extent provided herein, which are hereby pledged to the payment thereof in the manner and to the extent hereinabove specified.

The Bonds, the premium, if any, and the interest thereon shall not be deemed to constitute a debt, liability or obligation of the City or of the State or of any political subdivision thereof, or a pledge of the faith and credit of the City or of the State of Georgia or of any political subdivision thereof, but the Bonds shall be payable solely from the Pledged Revenues, and the City is not obligated to pay the Bonds or the interest thereon except from the Pledged Revenues and neither the faith and credit of the City nor the faith and credit or the taxing power of the State or of any political subdivision thereof is pledged to the payment of the principal of, the premium, if any, or the interest on the Bonds or costs incident thereto.

**Section 802. Covenant to Perform Undertakings.** The City covenants that it will faithfully perform at all times any and all covenants, undertakings, stipulations and provisions contained in this Bond Resolution, in any and every Bond executed, authenticated and delivered hereunder and in all proceedings of the City pertaining thereto on its part to be observed or performed. the City covenants that it is duly authorized under the Constitution and laws of the State of Georgia, including particularly and without limitation the Redevelopment Powers Law, to issue the Bonds authorized hereby and to enter into this Bond Resolution, and to pledge the Pledged Revenues in the manner and to the extent herein set forth; that all action on its part for the issuance of the Series 2019 Bond has been duly and effectively taken; and that such Bonds in the hands of the Bondowners thereof are and will be valid and enforceable obligations of the City according to the tenor and import thereof.

**Section 803. Covenant Concerning Enforcement Rights.** The City covenants to diligently impose, receive, collect and enforce, as applicable, the payment of Tax Allocation Increments in the manner prescribed by this Bond Resolution and all resolutions, ordinances or laws thereunto appertaining, and will pay and deposit the proceeds of Tax Allocation Increments as received into the Special Fund. Absent a default or delinquency in the payment of any Tax Allocation Increments, nothing herein shall require the prepayment of any installment due on a Tax Allocation Increments prior to its due date.

**Section 804. Maintenance of Existence of Tax Allocation District.** The City covenants to at all times maintain the existence of the Tax Allocation District and to not take any action to dissolve or terminate the existence of the Tax Allocation District until the Bonds and all other amounts payable under this Bond Resolution have been paid in full.

[END OF ARTICLE VIII]

**ARTICLE IX.  
EVENTS OF DEFAULT AND REMEDIES**

**Section 901. Events of Default.**

(a) If any of the following events occur, it is hereby defined as and declared to be and to constitute a default and an “Event of Default”:

(1) default in the due and punctual payment of any interest on the Bond;

(2) default in the due and punctual payment of any principal of the Bond (or premium thereon, if any), whether at the stated maturity thereof, or upon proceedings for redemption thereof;

(3) any material breach by the City of any representation or warranty made in this Agreement or default in the performance or observance of any other of the covenants, agreements, or conditions on the part of the City in this Agreement or in the Bond contained, subject to the provisions of subsection (b) of this Section 901;

(4) the issuance of an order of relief by the Bankruptcy Court of the United States District Court having valid jurisdiction, granting the City relief under federal bankruptcy law, or the issuance by any other court having valid jurisdiction of an order or decree under applicable federal or state law providing for the appointment of a receiver, liquidator, assignee, trustee, or sequestrator (or other similar official) of the City or any substantial part of its property, affairs, or assets, and the continuance of any such decree or order unstayed and in effect for a period of sixty consecutive days; or

(5) the consent by the City to the institution of proceedings in bankruptcy against it, or to the institution of any proceeding against it under any federal or state insolvency laws, or to the filing of any petition, application, or complaint seeking the appointment of a receiver, liquidator, assignee, trustee, or sequestrator (or other similar official) of the City or of any substantial part of its property, affairs, or assets.

(b) Anything herein to the contrary notwithstanding, no default under Section 901(a)(3) shall constitute an Event of Default until actual written notice of such default by registered or certified mail shall be given by the Bondholder to the City, and the City shall have had thirty (30) days after receipt of such notice to correct such default or cause such default to be corrected and shall not have corrected such default or caused such default to be corrected within the applicable period; provided, however, if such default be such that it cannot with due diligence be cured within the applicable period but can be wholly cured within a period of time not materially detrimental to the rights of the Bondholder, to be determined conclusively by the Bondholder, it shall not constitute an Event of Default if corrective action is instituted by the City within the applicable period and diligently pursued until the default is corrected in accordance with and subject to any directions or limitations of time established by the Bondholder.

**Section 902. Remedies.** If any Event of Default has occurred and is continuing, the Bondholder may exercise any right, power, or remedy permitted to it by law and may proceed to



protect and enforce the rights of the Bondholder by an action at law, suit in equity, or other appropriate proceeding, whether for the specific performance of any covenant or agreement contained herein or in the Bond, or for an injunction against a violation of any of the terms hereof or thereof, or in aid of the exercise of any power granted hereby or thereby or by law or otherwise.

**Section 903. No Waivers or Election of Remedies; Expenses.** No course of dealing and no delay or omission on the part of the Bondholder in exercising any right, power, or remedy shall operate as a waiver thereof or otherwise impair or prejudice the Bondholder's rights, powers, or remedies, but any such right, power, or remedy may be exercised from time to time and as often as may be deemed expedient. No right, power, or remedy conferred by this Resolution or by the Bond upon the Bondholder shall be exclusive of any other right, power, or remedy referred to herein or therein or now or hereafter available at law, in equity, by statute, or otherwise, but each and every such right, power, or remedy shall be cumulative and shall be in addition to every other right, power, or remedy given under this Resolution or the Bond or now or hereafter existing at law, in equity, by statute, or otherwise. the City will pay to the Bondholder on demand such further amount as shall be sufficient to cover all costs and expenses of the Bondholder incurred in any enforcement or collection under this Section 903, including, without limitation, reasonable attorneys' fees, expenses, and disbursements actually incurred.

[END OF ARTICLE IX]

**ARTICLE X.  
SUPPLEMENTAL PROCEEDINGS**

**Section 1001. Supplemental Proceedings Not Requiring Consent of Bondholders.**

This Bond Resolution may be modified, altered, amended or expanded by the City without the consent of, or notice to, any of the Bondholders for any one or more of the following purposes:

- (a) to cure any ambiguity or formal defect or omission or inconsistent provision in the Resolution;
- (b) to grant to or confer any additional rights, remedies, powers or authorities that may lawfully be granted to or conferred upon the Bondholders;
- (c) to subject to the lien and pledge of the Resolution additional rents, revenues, receipts, properties or other collateral;
- (d) to evidence the appointment of successors to any depositories, custodian, Paying Agent or Bond Registrar hereunder; and
- (e) to provide for the issuance of Parity Bonds in accordance with the provisions of this Bond Resolution.

**Section 1002. Supplemental Proceedings Requiring Consent of Bondholders.** The Resolution may, from time to time, be modified, altered and amended by adding to or rescinding in any particular any terms or provisions contained herein. Such modifications, alterations and amendments shall be made by a supplemental resolution. No such proceedings shall become effective unless the registered owners of at least fifty-five percent of the aggregate principal amount of the affected Bonds then outstanding shall have filed with the City, within sixty days after the adoption of such resolution, written consent to approval thereof. If the approval as herein required is received by the City, then the supplemental resolution shall thereafter form a part of the Resolution for any and all purposes.

Notwithstanding the preceding paragraph, nothing contained herein shall permit or be construed as permitting:

- (a) the extension of the maturity of any Bonds issued hereunder;
- (b) the reduction in or alteration of the interest on the Bonds or any modification of the terms of payment of principal and interest thereon; or
- (c) the reduction of the percentage of the principal amount of Bonds required for consent to such modification, alteration or amendment.

A modification or amendment of the provisions with respect to increasing payments required to be made to the Special Fund to pay principal of and interest on the Bonds shall not be deemed a change in the terms of payment.

If at any time the City shall seek to adopt any supplemental resolution for any purposes in this Section, it shall notify the Bond Registrar (if other than the City Clerk), and the Bond Registrar shall cause notice of the proposed execution of such supplemental resolution to be mailed by first class mail to the Bondholders, but no failure to mail any such notice nor any defect in any notice shall affect the right of the City to effect the validity of such supplemental resolution if all necessary consents are obtained. Such notice shall briefly set forth the nature of the proposed supplemental resolution and shall state that a copy of the same is on file with the Bond Registrar. Upon the adoption of any such supplemental resolution as in this Section 1002 permitted and provided the Resolution shall be deemed to be modified and amended in accordance therewith.

**Section 1003. Effect of Supplemental Proceeding.** Any supplemental resolution adopted and becoming effective in accordance with the provisions of this Article shall thereafter form a part of the Resolution, and all the terms and conditions contained in any such supplemental resolution as to any provision authorized to be contained therein shall be a part of the terms and conditions of the Resolution and shall be effective as to all owners of the then Outstanding Bonds and of any Parity Bonds, and no notation or legend of such modifications and amendments shall be required to be made on any such outstanding bonds.

**Section 1004. Resolution Constitutes Contract.** The provisions, terms and conditions of the Resolution shall constitute a contract by and between the City and the owners of Outstanding Bonds, and, after the issuance of the Bonds, the Resolution shall not be repealed or amended in any respect which will adversely affect the rights and interest of the owners of the Bonds nor shall the City adopt any resolution in any way ever adversely affecting the rights of such owners so long as any of the Bonds or the interest thereon shall remain unpaid; provided, however, that the provisions of this Section shall not be construed to restrict or impair any rights reserved to the City by the provisions of this Article X.

**Section 1005. Subsequent Proceedings Consistent With Resolution.** Any subsequent proceeding or proceedings authorizing the issuance of Parity Bonds as permitted under the provisions of the Resolution shall not conflict with the terms and conditions of the Resolution, but shall, for all legal purposes, contain all the covenants, agreements and provisions of the Resolution for the equal protection and benefit of all owners of Bonds.

[END OF ARTICLE X]

**ARTICLE XI.  
MISCELLANEOUS PROVISIONS**

**Section 1101. Merger of Paying Agent.** Any bank or trust company with or into which the Paying Agent may be merged or consolidated or to which the assets and the business of the Paying Agent may be sold shall be the successor Paying Agent for the purpose of the Resolution.

**Section 1102. Limitation on Liability from Funds on Deposit with the Paying Agent.** Should any Bonds not be presented for payment when due, the Paying Agent shall retain, for the benefit of the owners of such bonds, a sum of money sufficient to pay such bonds when the same are presented by the owners thereof for payment. All liability of the City to the owners of such Bonds and all rights of such owners against the City under the Bonds or under the Resolution shall thereupon terminate, and the sole right of such owners shall thereafter be against such funds on deposit with the Paying Agent.

If any Bond shall not be presented for payment within a period of five years following the date when such Bond becomes due, the Paying Agent, at the written request of the City, shall transfer to the City's general fund all funds theretofore held by it for payment of such bond. The Paying Agent shall thereupon be released and discharged with respect to such bonds, and such bond shall, subject to the defense of any applicable statute of limitations, thereafter be an unsecured obligation of the City.

**Section 1103. Validation.** The Series 2019 Bond shall be validated in the manner provided by law, and, to that end, notice of the adoption of this Bond Resolution and a copy hereof shall be served upon the District Attorney of the Ogeechee Judicial Circuit of Georgia in order that proceedings for the above purpose may be instituted in the Superior Court of Bulloch County.

**Section 1104. Rebate Calculator.** The City shall appoint and pay a Rebate Calculator, if necessary, to calculate and determine the Rebate Amount, if any, as required by Section 148(f) of the Tax Code. All calculations and determinations made by a Rebate Calculator shall be accompanied by the opinion of the Rebate Calculator that such calculations and determinations have been made in accordance with the requirements of Section 148(f) of the Tax Code. The City agrees to pay to the United States Treasury the amount determined by the Rebate Calculator to be due to the United States Treasury before the due date specified by the Rebate Calculator, from amounts on deposit in the Rebate Fund or from other legally available funds. The City shall cause to be filed all reports required to be filed with the United States pursuant to Section 148(f) of the Tax Code in connection with the Bond.

**Section 1105. Taxability; Non-Arbitrage Certificate.** The City recognizes that the owner of the Series 2019 Bond will have accepted it on, and paid therefor a price which reflects the understanding that interest thereon is exempt from federal and Georgia income taxation under laws in force at the time the Series 2019 Bond shall have been delivered. In this connection, the City agrees that it shall not take or cause or permit to be taken, or fail to take or cause or permit to fail to be taken, any action which may render the interest on the Series 2019 Bond subject to federal or Georgia income taxation, or which, if reasonably expected on the date

of issuance of any series of bonds, would have caused interest on any of the Series 2019 Bond to be subject to federal or Georgia income taxation.

The City covenants not to make or permit the use of, nor direct any depository or custodian to make any investment of, any proceeds of the Series 2019 Bond which, if such use or investment had been reasonably expected on the date of issuance of the Series 2019 Bond, would have caused such bonds to be “arbitrage bonds” within the meaning of Section 148 of the Code, and such regulations promulgated from time to time under said Section 148 as may be applicable to the Series 2019 Bond. The City further covenants that it will comply throughout the terms of the Series 2019 Bond with the requirements of said Section 148 and any such applicable regulations to the end of preventing the Series 2019 Bond from become “arbitrage bonds.” Nothing contained in this Section shall be construed to impose contractual obligations on the City which are more onerous or burdensome than the requirements (as they shall exist from time to time) of said Section 148 and any such applicable regulations which must be observed in order to prevent the Series 2019 Bond from becoming “arbitrage bonds.”

**Section 1106. [Reserved].**

**Section 1107. Exemption from Disclosure Requirements.** The City covenants that the disclosure requirements of U.S. Securities and Exchange Commission Rule 15c2-12 do not apply to the Series 2019 Bond because the issuance and delivery of the Series 2019 Bond to the purchaser thereof comply with the exemption contained in Section 15c2-12(d)(1)(i) of said rule.

**Section 1108. Applicable Provisions of Law.** The Resolution shall be governed by and construed in accordance with the laws of the State of Georgia.

**Section 1109. Partial Invalidity.** In case any one or more of the provisions of the Resolution or the Bonds shall for any reason be held to be illegal or invalid by a court of competent jurisdiction, such illegality or invalidity shall not affect any other provisions hereof or of the Bonds unless expressly so held, but the Resolution and the Bonds shall be construed and enforced as if such illegal or invalid provisions had not been contained herein or therein, and the Resolution shall be construed to adopt, but not to enlarge upon, all the applicable provisions of the Revenue Bond Law, and, if any provisions hereof conflict with any applicable provisions of said law, the latter as adopted by the legislature and as interpreted by the courts of this state shall prevail and shall be substituted for any provisions hereof in conflict or not in harmony therewith.

**Section 1110. Payments Due on Saturdays, Sundays, and Holidays.** In any case where the date of payment of the principal of or interest on the Bonds or the date fixed for redemption of any Bonds shall be in the City of payment a Saturday, Sunday, or a legal holiday or a day on which banking institutions are authorized by law to close, then payment of such principal or interest need not be made on such date but may be made on the next succeeding business date with the same force and effect as if made on the Interest Payment Date or on the date of stated maturity or the date fixed for redemption, and no interest shall accrue for the period after such date.

**Section 1111. Authorization of Other Documents and Actions.** The Mayor, City Clerk, City Attorney, or other officers or agents of the City are hereby authorized, empowered,

and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of this Bond Resolution and are further authorized to take any and all further actions and execute and deliver any and all other documents as may be necessary in the issuance of the Series 2019 Bond, including but not limited to (i) negotiating and signing paying agency or other agreements with the bond registrar and paying agent named herein or any successor bond registrar or paying agent, (ii) negotiating and signing depository or other necessary agreements with the custodians of any funds described herein or any successor custodians of such funds, and (iii) executing and filing with the Internal Revenue Service a completed Form 8038-G upon closing of the Series 2019 Bond. All actions heretofore taken and all documents heretofore executed in connection with the issuance of the Series 2019 Bond are ratified and approved.

**Section 1112. Waiver of Performance Audit.** The City hereby specifically waives the requirements of O.C.G.A. § 36-82-100 that the expenditure of the proceeds of the Series 2019 Bond be subject to an ongoing performance audit or performance review, and authorizes such waiver to be published in the notice of hearing relating to the validation of the Series 2019 Bond.

**Section 1113. Financial Statements.** The City shall furnish to the Bondholder, for so long as the Series 2019 Bond remains outstanding, annual audited financial statements of the City within 270 days of the end of the fiscal year, or as soon as such financial statements become available. Upon written request, the City will provide to the Bondholder such financial or other information regarding the financial affairs of the City as the Bank shall reasonably request.

**Section 1114. Captions.** The captions or headings in this Bond Resolution are for convenience only and in no way limit or describe the scope or intent of any provisions or sections of this Bond Resolution.

**Section 1115. Repealer.** Except as specifically provided herein, any and all ordinances or resolutions or parts of ordinances or resolutions in conflict with this Bond Resolution shall be and the same hereby are repealed, and the Resolution shall be in full force and effect from and after its adoption.

APPROVED AND ADOPTED this June 18, 2019.

THE CITY OF STATESBORO, GEORGIA

By: \_\_\_\_\_  
Mayor

(SEAL)

Attest: \_\_\_\_\_  
City Clerk

CLERK'S CERTIFICATE

Now comes the undersigned City Clerk of the City of Statesboro, Georgia ("the City"), keeper of the records and seal thereof, and certifies that the foregoing is a true and correct copy of a resolution approved and adopted by the Mayor and City Council in a public meeting properly and lawfully held and assembled on June 18, 2019, the original of which resolution has been entered in the official records of the City under my supervision and is in my official possession, custody, and control.

I further certify that the meeting was held in conformity with the requirements of Title 50, Chapter 14 of Official Code of Georgia Annotated.

(S E A L)

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City Clerk